



# Electricity Oversight Board

*Daily Report for Monday, March 29, 2004*

The daily average zonal price increased by 94 percent for SP15 to \$59.89/MWh up from \$30.90/MWh, and decreased by 26 percent for NP15 to \$21.76/MWh down from \$29.37/MWh. Congestion on Path 26, in the north-to-south direction, from 8 a.m. to midnight resulted in the split zonal prices. The CAISO declared a Restricted Maintenance Operations for the period 11:24 a.m. through 8:00 p.m., because actual loads surpassed scheduled loads by about 1,000 MW. In addition to balancing higher than expected loads with new resources, 800 MW of increased generation experienced forced outage between 11 a.m. and 3 p.m. The CAISO issued a Warning to stimulate the market to provide additional resources and make it possible for the CAISO to seek additional resources outside of the market structure. This escalated the situation and the CAISO issued a STAGE 1 ELECTRICAL EMERGENCY Notice, effective 1:50 p.m. due to higher than expected loads and loss of resources South of Path 15. At 5 p.m. The CAISO requested that Bonneville Power Administration (BPA) to return to service the Pacific Direct Current Intertie (PDCI) that had been derated for testing as of 6 a.m. The higher SP15 average zonal price could have resulted from:

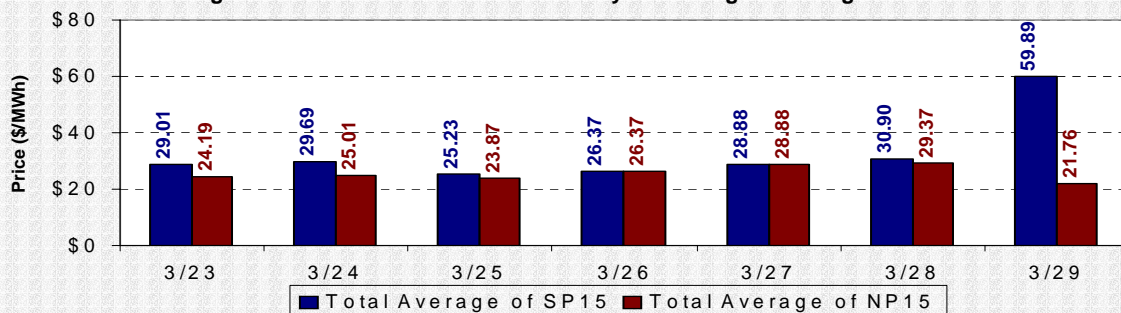
- Increased generation outage levels that ranged from 10,740 MW to 11,823 MW. Between 11 a.m. and 3 p.m., the CAISO experienced unplanned outages in the amount of about 800 MW in SP15.
- Higher than expected demand. The actual average demand increased by 4,125 MW from Sunday. Between 4 a.m. and 3 p.m., the CAISO experienced higher actual load than scheduled that ranged from 3 percent to 6 percent, averaging at 5 percent.
- Higher natural gas prices. The average natural gas price increased by 3 percent to \$4.97/MMBtu, up from \$4.81/MMBtu on Friday.
- Warm weather conditions. With the exception of San Francisco, temperatures increased between 2 and 3 degrees and ranged from low-80s to low-90s.
- Reduced transmission capacity for El Dorado line and continuing intra-zonal congestion management.

In an effort to mitigate intra-zonal congestion, the CAISO requested decremental energy bids for the following:

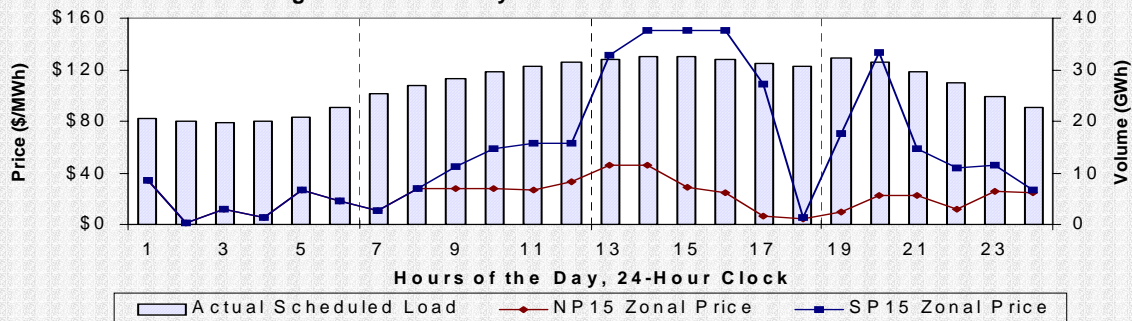
- Sylmar between 6 a.m. and 9 p.m.
- Miguel Imports between 6 a.m. and 11 p.m.
- Lugo between 10 a.m. and 11 p.m.

Due to equipment out of service, the CAISO changed the transmission capacity rating for El Dorado in both directions from 1,555 MW to 1,158 MW between 10 a.m. and midnight.

**Figure 1 - SP 15 & NP 15 7-Day Rolling Average Prices**



**Figure 2 - Hourly Zonal Price and Volume**





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SP15 Figure 3 - On-Peak Average Price by Market Area

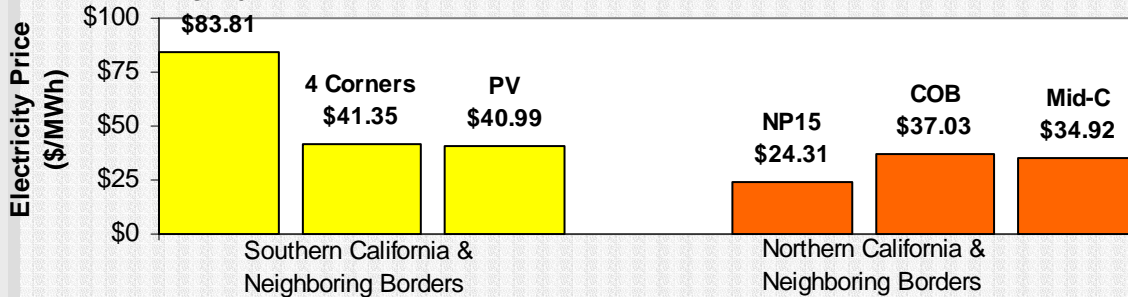


Figure 4a - Seven Day Snapshot of NP15

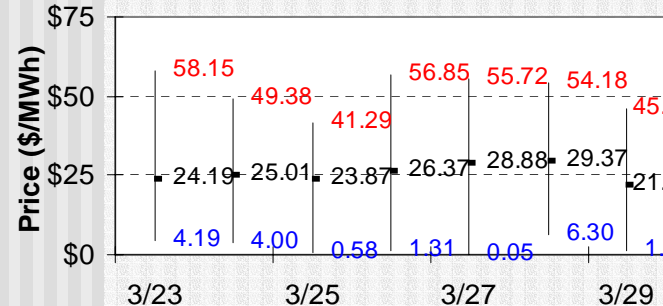


Figure 4b - Seven Day Snapshot of SP15

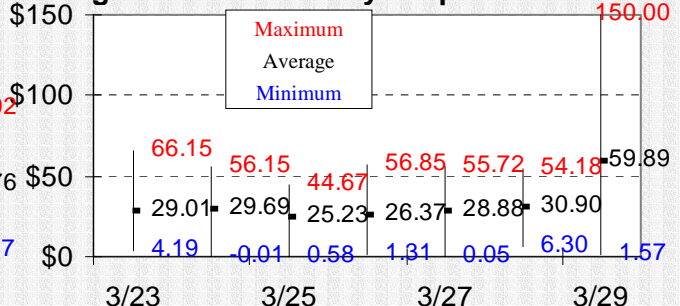


Figure 5 - Temperatures Across California

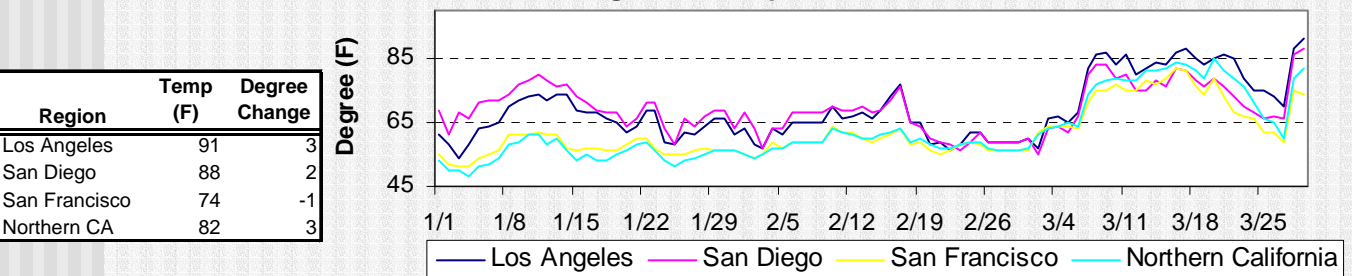


Figure 6 - Average Natural Gas Price

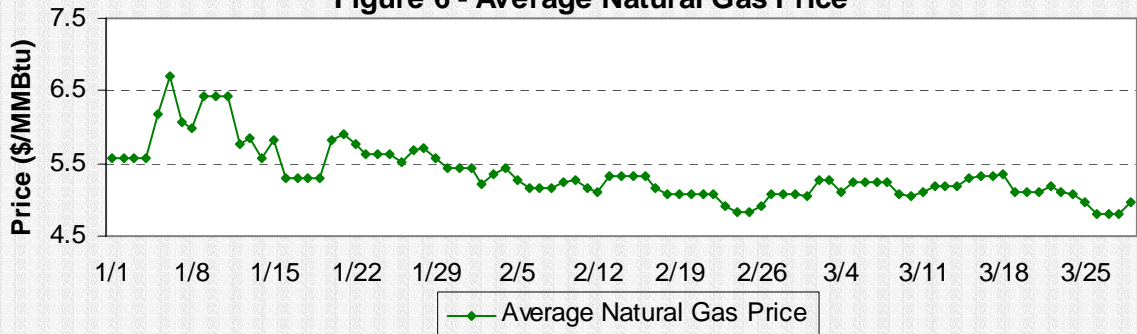


Figure 7 - Average Daily Zonal Price & Total Actual Load

